

## Message Text

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ACTION AF-06

INFO OCT-01 EUR-12 ISO-00 IO-10 EB-07 INT-05 GSA-01 COME-00

OPIC-03 AID-05 TRSE-00 OMB-01 XMB-02 FRB-03 CIAE-00

INR-07 NSAE-00 CIEP-01 CEA-01 SS-15 NSC-05 SP-02 /087 W

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R 251420Z AUG 75

FM AMEMBASSY BUJUMBURA

TO SECSTATE WASHDC 4977

INFO AMEMBASSY BUCHAREST

AMEMBASSY DAR ES SALAAM

AMCONSUL JOHANNESBURG

AMEMBASSY KIGALI UNN

AMEMBASSY KINSHASA

AMCONSUL LUBUMBASHI

AMEMBASSY NAIROBI

USUN NEW YORK 571

LIMITED OFFICIAL USE BUJUMBURA 0608

E.O. 11652: N/A

TAGS: EMIN, EINV,BY, US

SUBJECT: LATEST DEVELOPMENTS IN BURUNDI NICKEL PROJECT

REF BUJUMBURA 461

1. ALBERT AUCLAIR, TEMPELSMAN REPRESENTATIVE IN LUBUMBASHI, IS CURRENTLY VISITING BUJUMBURA TO GIVE BURUNDI OFFICIALS A PROGRESS REPORT ON DEVELOPMENTS IN NICKEL PROJECT SINCE FIRST CONSORTIUM MEETING TWO MONTHS AGO (REFTEL). HIS ACCOUNT LEAVES IMPRESSION THAT THERE IS CONTINUED MOMENTUM, BUT ALSO THAT FORWARD MOVEMENT WILL BE SLOW WHILE TECHNICAL ISSUES ARE SORTED OUT.

2. CONSORTIUM MEETING IN PARIS PLANNED FOR END OF AUGUST HAS BEEN POSTPONED TO END OF SEPTEMBER OWING TO BURUNDI GOVERNMENT DELAY IN TRANSMITTING TO TEMPELSMAN COPIES OF SECOND UNDP  
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MINERALS TEAM REPORT GIVING CHEMICAL ANALYSIS OF NICKEL ORES. ALTHOUGH

WOULD-BE CONSORTIUM MEMBERS ARE NOW PERUSING THIS REPORT, THEY WILL NEED ANOTHER MONTH TO DECIDE WHETHER DATA PROVIDED ARE SUFFICIENTLY ENCOURAGING TO PERMIT ANY EARLY DECISION ON INVESTING PRIVATE CAPITAL FROM CONSORTIUM MEMBERS IN FULL-SCALE FEASIBILITY STUDY. AUCLAIR THINKS THERE WILL PROBABLY BE ENOUGH UNCERTAINTY ABOUT MINERAL ORE COMPOSITION, AND ABOUT MOST SUITABLE METALLURGICAL REFINING PROCESSES AND END PRODUCT MIX THAT INVESTORS WILL HOLD BACK AT LEAST UNTIL RESULTS OF UNDP STUDY (NOW CALLED "PRE-FEASIBILITY") BEGIN TO COME IN DURING 1976.

3. TEMPELSMAN AND UNDP HAVE REMAINED IN CLOSE CONTACT, AND THEY HAVE APPARENTLY AGREED THAT THE ALLOCATION OF UP TO TWO MILLION DOLLARS BY UNDP WILL FOCUS ON MINERALS AND ORE BODIES QUESTIONS. TO THE EXTENT THAT UNDP CONCLUSIONS ARE POSITIVE, OTHER FEASIBILITY STUDIES LATER ON WILL DELVE INTO METALLURGICAL PLANT REQUIREMENTS, TRANSPORT, POWER, AND INFRASTRUCTURE. TEMPELSMAN HAS ASKED TWO LARGE U.S. ENGINEERING FIRMS, FLUORIUTAH AND PARSONS JOHNSON, TO SUBMIT DETAILED FEASIBILITY STUDY PROPOSALS FOR END SEPTEMBER CONSORTIUM SESSION, EVEN THOUGH TEMPELSMAN KNOWS IT WILL PROBABLY BE TOO EARLY FOR DECISION.

4. TEMPELSMAN AND SORENSEN HAVE ALSO DISCUSSED PROJECT AGAIN WITH WORLD BANK PRESIDENT MCNAMARA WHO ENCOURAGED THEM ON ULTIMATE BANK PARTICIPATION IN INVESTMENT IF LATER STUDIES ARE PROMISING. BANK OFFICIALS WILL EXPLAIN OVERALL SITUATION ON SEPT 5 TO BURUNDI FINMIN MPOZAGARA WHEN LATTER VISITS WASHINGTON FOR BANK/FUND MEETING. SORENSEN ALSO EXPECTS TO HAVE DRAFT OF EVENTUAL AGREEMENT BETWEEN CONSORTIUM AND BURUNDI READY FOR CONSIDERATION BY POTENTIAL INVESTORS AT END SEPTEMBER

MEETING. MARK

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** NICKEL, MINING, MINERALS, PROGRAMS (PROJECTS), MEETING DELEGATIONS, FOREIGN INVESTMENTS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 25 AUG 1975  
**Decaption Date:** 01 JAN 1960  
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**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** RowellE0  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
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Margaret P. Grafeld  
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**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** LATEST DEVELOPMENTS IN BURUNDI NICKEL PROJECT  
**TAGS:** EMIN, EINV, BY, US  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006